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10 UNITED STATES DISTRICT COURT
11 EASTERN DISTRICT OF WASHINGTON

12 MIGUEL WONG, a board member of)
13 Community Health Center La Clinica,) No. CV 07-5004 FVS
14)
15 Plaintiff,) **DEFENDANT'S ANSWER AND**
16 vs.) **AFFIRMATIVE DEFENSES**
17)
18 COMMUNITY HEALTH CENTER LA)
19 CLINICA, a Washington nonprofit)
20 corporation,)
21 Defendant.)
22)

23 COMES NOW the Defendant, by and through its attorneys, and for Answer
24 to Plaintiff's Complaint, admits, denies and alleges as follows:

25 **I.**

26 The Defendant admits paragraph I.
27
28

II.

The Defendant denies paragraph II.

III.

In answer to paragraph III, the Defendant admits that an Interim Agreement was signed. Said Agreement speaks for itself. The Defendant denies all other allegations contained in paragraph III.

IV.

The Defendant denies paragraphs IV and V.

V.

In answer to the first sentence in paragraph VI, the Defendant is without sufficient information to form a belief as to the truth of the matter asserted and, therefore, denies the same. The Defendant admits that Gochioco and Garcia were employees. The Defendant is without sufficient information to form a belief as to the remaining allegations of paragraph VI and, therefore, denies the same.

VI.

The Defendant denies paragraphs VII and VIII.

VII.

In answer to paragraph IX, the Defendant admits that Gochioco and Garcia filed a lawsuit. The Defendant denies all other allegations contained in paragraph IX.

VIII.

In answer to paragraph X, the Defendant admits that counsel hired by Defendant's insurance company to represent it in the Gochioco and Garcia lawsuit provided an update concerning the lawsuit. At the time the update was provided, it was assumed that Plaintiff would comply with his fiduciary duties and with the provisions of the Confidentiality Agreement he signed. After counsel provided the update, no requests were made by Plaintiff or any other Board member for a further update. The Defendant denies all other allegations contained in paragraph X.

IX.

The Defendant denies paragraph XI.

X.

In answer to paragraph XII, the Defendant does not know what rumors and gossip the Plaintiff heard nor the source of the rumors and gossip. The Defendant denies the allegations contained in paragraph XII.

XI.

In answer to paragraph XIII, the Defendant is without sufficient information to form a belief as to the truth of the allegations contained in paragraph XIII and, therefore, denies the same.

XII.

In answer to paragraph XIV, the Defendant admits that at the October 2006 Board of Directors meeting, Plaintiff requested information concerning the status of the lawsuit. Defendant further admits that Plaintiff was advised that the settlement agreement contained a confidentiality provision.

XIII.

In answer to paragraph XV, the Defendant admits that it is a non-profit organization that receives funding from the United States. With respect to the remaining allegations contained in paragraph XV, the Defendant is without sufficient information to form a belief as to the truth of the allegations and, therefore, denies the same.

XIV.

The Defendant denies paragraph XVI.

XV.

In answer to paragraph XVII, the Defendant denies the first two sentences. In answer to the third and fourth sentences, the Defendant is without sufficient information to form a belief as to the truth of the allegations and, therefore, denies the same. As to the last sentence, the Defendant follows all HIPPA policies and will not disclose to the Plaintiff or any other individual medical information about

1 a patient unless a release is signed by the patient. The Defendant denies all other
2 allegations contained in paragraph XVII.

3
4 **XVI.**

5 The Defendant denies paragraph XVIII.

6
7 **XVII.**

8 In answer to paragraph XIX, the Defendant denies the last sentence of the
9 paragraph. The Defendant admits that there have been newspaper articles. The
10 Defendant is without sufficient information to form a belief as to the truth of the
11 remaining allegations and, therefore, denies the same.

12
13 **XVIII.**

14 In answer to paragraph XX, the Defendant denies that the discussions took
15 place at a Board of Directors meeting. Defendant admits that the credit line was
16 discussed because of investments that would not be liquidated until maturity and
17 interest on the investment paid. The Defendant denies the credit line had anything
18 to do with the settlements mentioned. The Defendant denies all other allegations
19 contained in paragraph XX.

20
21
22 **XIX.**

23 In answer to paragraph XXI, the Defendant denies that the discussions took
24 place at a Board of Directors meeting. The Defendant admits that it held in a
25 short-term investment account an amount in excess of \$800,000. The Defendant
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27
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1 admits that a Board member asked the amount of interest accruing on the
2 investment account. The Defendant admits that the Board of Directors approved
3 the \$500,000 credit line. The Defendant denies all other allegations contained in
4 paragraph XXI.
5

6 **XX.**
7

8 The Defendant admits the first sentence of paragraph XXII. The remaining
9 allegations of paragraph XXII, allege a statement of law to which no response is
10 required. The Defendant denies any inference of inappropriate conduct.
11

12 **XXI.**
13

14 The Defendant denies paragraph XXIII.
15

16 **XXII.**
17

18 In answer to paragraph XXIV, the March 21, 2005 agreement speaks for
19 itself. As to the remaining allegations contained in paragraph XXIV, the
20 Defendant is without sufficient information to form a belief as to the truth of the
21 allegations and, therefore, denies the same.
22

23 **XXIII.**
24

25 In answer to paragraph XXV, the Agreement speaks for itself and the
26 Defendant denies all allegations inconsistent with the Agreement. The Defendant
27 denies all other allegations contained in paragraph XXV.
28

XXIV.

The Defendant admits the first sentence of paragraph XXVI. The Defendant denies all other allegations contained in paragraph XXVI.

XXV.

The Defendant denies paragraph XXVII.

XXVI.

In answer to paragraph XXVIII, the Defendant is without sufficient information to form a belief as to the truth of the matter asserted.

XXVII.

The Defendant denies paragraph XXIX.

XXVIII.

The Defendant denies paragraph XXX.

XXIX.

In answer to paragraph XXXI, the October 25, 2005 memorandum speaks for itself. The Defendant denies all other allegations contained in paragraph XXXI.

XXX.

In answer to paragraph XXXII, the October 27, 2005 e-mail speaks for itself. The Defendant admits that Rubin was placed on administrative leave. The

1 Defendant admits that Rubin's employment was terminated. The Defendant denies
2 all other allegations contained in paragraph XXXII.

3
4 **XXXI.**

5 In answer to paragraph XXXIII, the Defendant admits that a Yakima
6 attorney was hired and that he issued a letter dated November 7, 2005. The letter
7 speaks for itself. The Defendant denies all other allegations contained in paragraph
8 XXXIII.
9

10 **XXXII.**

11
12 In answer to paragraph XXXIV, the Defendant admits that Rubin requested
13 an investigation. The Defendant denies all other allegations contained in
14 paragraph XXXIV.
15

16 **XXXIII.**

17 The Defendant admits XXXV.

18 **XXXIV.**

19
20 In answer to paragraph XXXVI, the Defendant admits that Castillon initially
21 had no interest in becoming the permanent director. The Defendant admits that the
22 December 22, 2005 memorandum speaks for itself. The Defendant admits that
23 Castillon is now the permanent CEO. The Defendant denies all other allegations
24 contained in paragraph XXXVI.
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XXXV.

In answer to paragraph XXXVII, the memoranda referenced speaks for itself. The motion filed and the Court's ruling on the motion speak for themselves. The Defendant denies all other allegations contained in paragraph XXXVII.

XXXVI.

In answer to paragraph XXXVIII, the Defendant admits that Churman resigned. The Defendant admits Zaccaria served as Treasurer and Churman served as Personnel Committee Chairman. The Defendant denies all other allegations contained in paragraph XXXVIII.

XXXVII.

In answer to paragraph XXXIX, the Defendant admits that the lawsuit brought by Rubin was discussed with the Board of Directors. The Defendant admits that Rubin was fired because of misconduct and insubordination. The Defendant admits that claims of financial irregularities were without foundation. In answer to the last sentence of paragraph XXXIX, the Defendant is without sufficient information to form a belief as to the truth of the allegation and, therefore, denies the same. The Defendant denies all other allegations contained in paragraph XXXIX.

XXXVIII.

In answer to paragraph XL, the Defendant admits that Plaintiff appeared at La Clinica's attorney's office without an appointment. The Defendant admits that Gustafson was in the conference room. The Defendant admits that another member of the Board entered the conference room and that Plaintiff subsequently left. The Defendant denies all other allegations contained in paragraph XL.

XXXIX.

In answer to paragraph XLI, the Defendant admits that the Rubin lawsuit was settled and that Plaintiff asked about the settlement. The Defendant admits that the settlement amount was not disclosed in the open forum meeting. The Defendant denies all other allegations contained in paragraph XLI.

XL.

The Defendant denies paragraph XLII.

XLI.

In answer to paragraph XLIII, the Defendant admits that it keeps a record of all Board of Directors meetings in the form of minutes. The Defendant denies all other allegations contained in paragraph XLIII.

XLII.

In answer to paragraph XLIV, the Defendant admits that Castillon accepted the position of permanent CEO and that he responded to questions. The Defendant

1 further admits that a discussion was held concerning the amount of Castillon's
2 salary. The Defendant admits that the Board of Directors agreed upon the salary to
3 be paid. The Defendant denies all other allegations contained in paragraph XLIV.
4

5 **XLIII.**

6 The Defendant denies paragraph XLV.
7

8 **XLIV.**

9 The Defendant denies paragraph XLVI.
10

11 **XLV.**

12 In answer to paragraph XLVII, the Defendant admits that the Board of
13 Directors was informed of a possible walkout. The Defendant denies all other
14 allegations contained in XLVII.
15

16 **XLVI.**

17 In answer to paragraph XLVIII, the Defendant admits that Hinton is a
18 former employee. The Defendant denies all other allegations contained in
19 paragraph XLVIII.
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22 **BY WAY OF FURTHER ANSWER** to Plaintiff's Complaint, and as
23 **AFFIRMATIVE DEFENSES** thereto, the Defendant alleges as follows:
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25 1. Regulation of the Defendant's corporate structure and operations,
26 including regulation of the Defendant's assets in manner contemplated and/or
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1 authorized under state law on which this action is based, is exclusively the
2 province of federal law.
3

4 2. Plaintiff's Complaint fails to state a claim upon which relief can be
5 granted;
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7 3. Plaintiff has failed to join a necessary party;
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9 4. Plaintiff seeks relief unavailable under RCW 24.03.26 and RCW
10 24.03.270;
11

12 5. Plaintiff lacks standing as to some or all of his claims;
13

14 6. Plaintiff's claims are frivolous. Many of the allegations of
15 wrongdoing deal with a time period prior to July 31, 2006. Inconsistent with the
16 allegations in his Complaint, on July 31, 2006, Plaintiff complemented Brisa
17 Guarjardo, President of the Board of Directors, for her work in finalizing the
18 contract with Francisco Castillon to be permanent CEO. Later on July 31, 2006, in
19 reply to an e-mail from Francisco Castillon to the Board of Directors thanking
20 them for their support and trust in selecting him as permanent CEO, Plaintiff e-
21 mailed back the following message:
22

23 You are welcome Pancho.

24 It's been a long process, longer than I expected but thanks [*sic*]
25 godness [*sic*] Brisa was able to lead us to a happy success.

26 I believe it is important to keep momentum and profit on our past 15
27 months accomplishments as it is important to put La Clinica to where
28 it is deserved for the good of our community.

1
2 You worked hard Pancho, now I'm afraid you will have to work
3 harder, you may even loose your tail off.

4 Again, welcome aboard as Permanent CEO, we have tought [sic]
5 years ahead, but I'm sure you are up to the challenge as well as the
6 board is.

7 ready, set, go

8 best wishes

9 Miguel; and

10 6. The Defendant reserves the right to amend its Answer so as to allege
11 additional Affirmative Defenses as discovery is ongoing.
12

13 WHEREFORE, having fully answered Plaintiff's Complaint, the Defendant
14 prays as follows:
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16 1. That Plaintiff's action be dismissed with prejudice;

17 3. That Defendant be awarded such costs, disbursements and attorney
18 fees as allowed by law; and
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20 4. For such other and further relief as the Court deems just and equitable.
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1 Dated this 25th day of January, 2007.

2 PAINE, HAMBLIN, COFFIN,
3 BROOKE & MILLER LLP
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5
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CERTIFICATE OF SERVICE

I hereby certify that on this 25th day of January, 2007, I electronically filed the foregoing **DEFENDANT'S ANSWER AND AFFIRMATIVE DEFENSES**, with the Clerk of the Court using the CM/ECF System which will send notification of such filing to the following:

George Fearing gfearing@tricitylaw.com

William J. Schroeder william.schroeder@painehamblen.com
marsha.ungricht@painehamblen.com

and I hereby certify that I have mailed by United States Postal Service the document to the following non CM/ECF participants:

No manual recipients

/s/WILLIAM J. SCHROEDER

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